

FOR IMMEDIATE RELEASE

American Riviera Bank Reports Third Quarter Profit

Santa Barbara, California (October 17, 2008) – American Riviera Bank (OTC BB: ARBV.OB) today announced its first quarterly profit and considerable revenue and asset growth.

American Riviera Bank reported revenue of \$1.5 million and net profit of \$38 thousand for the quarter ending September 30, 2008 (3Q2008), compared to \$1.0 million in revenue and a net loss of \$550 thousand in 3Q2007. Revenue for the nine months ending September 2008 was \$4.2 million, up 75% from the \$2.4 million reported for the same period last year. The Bank's YTD loss in 2008 of \$288 thousand is less than projected, and considerably lower than the \$1.4 million loss incurred for the same period last year. The Bank has reduced the total cost of funds to 2.88% for 3Q2008, from 4.25% for 3Q2007, and maintained net interest margin of 4.29% for 3Q2008 compared to most recent peer group averages of 3.25%.

“In June, we had our first month of profitability and today we announce our first full quarter of profitability. The continued positive trend has been made possible by high quality asset and core deposit growth,” said Jeff DeVine, the Bank's President and CEO.

Total assets grew to \$96.3 million, up from \$68.8 million at 3Q2007. Loans increased 50% to \$79.8 million at 3Q2008, from the \$53.3 million reported at 3Q2007. The Bank's loan portfolio continues to perform well with no delinquent loans, no non-accrual loans and no loan charge-offs. Loan loss provision for 3Q2008 was \$127 thousand, compared to \$133 thousand in 3Q2007. American Riviera Bank's capital position remains strong with a Tier 1 Leverage ratio of 20% at 3Q2008, well above the regulatory definition of 5% for well capitalized institutions.

The Bank's continued focus on gathering core deposits and expanding relationships resulted in a 46% increase in total deposits from 3Q2007, reaching \$70.2 million at 3Q2008. “It has become increasingly apparent in these uncertain economic times, that our existing and new depositors have found comfort in our community banking approach and strong capital position,” said DeVine. “Deposit growth has been consistent across all product types this year including demand, savings, money market and certificates of deposit.”

Company Profile

American Riviera Bank is a full service community bank, focused on serving the lending and deposit needs of businesses and consumers in our community. The Bank was founded in 2006 by over 400 local shareholders and has one branch located at 1033 Anacapa Street in downtown Santa Barbara.

American Riviera Bank
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Statements concerning future performance, developments or events concerning expectations for growth and market forecasts, and any other guidance on future periods, constitute forward looking statements that are subject to a number of risks and uncertainties. Actual results may differ materially from stated expectations. Specific factors include, but are not limited to, effects of interest rate changes, ability to control costs and expenses, impact of consolidation in the banking industry, financial policies of the US government, and general economic conditions.

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